

State of California
The Resources Agency
Department of Water Resources
Bay-Delta Office

Public Draft

**DELTA, SAN JOAQUIN RIVER, AND SACRAMENTO RIVER
WATER QUALITY GRANT PROGRAM GUIDELINES**



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DELTA, SAN JOAQUIN RIVER, AND SACRAMENTO RIVER
WATER QUALITY GRANT PROGRAM GUIDELINES

I. PURPOSE

The purpose of these guidelines is to establish the process and criteria that the Department of Water Resources (DWR) will use to solicit applications, evaluate proposals, and award grants under the Delta, San Joaquin River, and Sacramento River Water Quality Grant Program.

These guidelines do not include the Proposal Solicitation Packages (PSP). The PSP, containing additional detailed information, will be issued separately after these guidelines are adopted by DWR.

II. INTRODUCTION AND OVERVIEW

In 2006 the voters of California approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act. The act was codified in Section 1, Division 43 of the Public Resource Code (PRC). Division 43, Section 75029 of the PRC earmarks the sum of \$130 million for grant projects that meet one of the following project eligibility criteria:

- Reduce or eliminate discharges of salt, dissolved organic carbon, pesticides, pathogens, and other pollutants to the San Joaquin River;
- Reduce or eliminate discharges of subsurface agricultural drain water from the west side of the San Joaquin Valley;
- Reduce or eliminate discharges of bromide, dissolved organic carbon, salt, pesticides, and pathogens from discharges to the Sacramento River;
- Reduce salinity or other pollutants at agricultural and drinking water intakes at Franks Tract and other locations in the Delta; or
- Those identified in the June 2005 Delta Region Drinking Water Quality Management Plan for the construction of the relocation of drinking water intake facilities for in-delta water users.

The \$130 million represents total available funding prior to necessary grant administrative costs. The administrative costs are expected to equal approximately 8.5 percent of the total. All funding amounts listed in the following paragraphs represent projected funding after deductions for these costs.

San Joaquin River projects are intended to reduce salt, dissolved organic carbon, bromides, pesticides, and pathogens. Projects will be evaluated using the latest available data from the State Water Resources Control Board and Regional Water Quality Control Boards. Approximately \$10.6 million will be directed toward these projects.

A minimum of \$36.6 million is designated for salinity reduction projects for the west side of the San Joaquin Valley. These projects will use drain collection systems and water treatment technology to eliminate drainage to the San Joaquin River from the west side irrigators. Reuse of collected irrigation drainage water, including water treatment alternatives to reduce salinity, will be evaluated.

Sacramento River projects are intended to reduce pesticides and pathogens. The river basin is relatively low in bromides, dissolved organic carbon, and salt. Projects will be evaluated using the latest available data from the State Water Resources Control Board and Regional Water Quality Control Boards. Approximately \$10.6 million will be directed toward these projects.

The Franks Tract and other Delta projects are intended to reduce salinity and other pollutants at agricultural and drinking water intakes. Approximately \$20 million will be directed toward these projects.

Delta Region projects, as described in the June 2005 Delta Region Drinking Water Quality Management Plan, are intended to reduce salinity and other pollutants at drinking water intakes. A total of approximately \$41.2 million will be directed toward these projects.

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A. PRIMARY TERMS

DWR will use the following terms consistently in these guidelines:

- “Application” refers to the electronic or hard copy submission to DWR that requests grant funding for the proposal that the applicant intends to implement;
- “Eligible Grant Recipient” refers to local agencies as defined in Section III A;
- “Local Agency(ies)” refers to all local California government including but not limited to a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency;
- “Proposal” refers to a project or suite of projects and actions that are proposed for funding pursuant to an application for grant funding; and
- “Project” refers to an individual effort described in the proposal that will lead to the construction of physical facilities and/or implementation of non-structural actions. A “project” may refer to a feasibility study or design in accordance with the program preferences in Section IIE.

For example, an applicant, which must include at least one “Eligible Grant Recipient”, will submit an “Application” that details a “Proposal” to implement a “Project” or suite of “Projects” that are consistent with PRC § 75029. The applicant, if a “Local Agency”, will provide a cost share in accordance with paragraph one of PRC § 75029.

See Appendix B for the definition of other terms used in these guidelines.

B. FUNDING

Grant funding will be provided to eligible grant recipients to develop and to implement projects that meet the requirements of these guidelines. Eligibility requirements are described in Section III.

Funding from the grant program is anticipated to be committed as shown below. (Values have been adjusted for approximate grant bond and administration costs):

- Group I will comprise funding for Delta Region projects in the amount of approximately \$41.2 million.
- Group II will comprise funding for San Joaquin River and Sacramento River projects. A total of approximately \$10.6 million will be available for San Joaquin River projects. A total of approximately \$10.6 million will be available for Sacramento River projects.
- Group III will comprise funding for Franks Tract and other Delta projects in the amount of approximately \$20 million.
- Group IV will comprise funding for the San Joaquin Valley west side drainage projects in the amount of approximately \$36.6 million.

C. MAXIMUM GRANT AMOUNT

The maximum grant amount that will be awarded to a local agency for a particular project will be limited to the amounts shown below. These maximum grant amounts are intended to allow the distribution of available funds among multiple eligible projects when applicable.

- \$30 million for Delta Region projects
- \$5 million for San Joaquin River projects
- \$5 million for Sacramento River projects
- \$20 million for Franks Tract projects
- \$4 million for San Joaquin Valley west side drainage projects

D. COST SHARE REQUIREMENTS

Local agencies are required to provide a cost share (PRC § 75029, paragraph one) to fund their proposed project. Cost share may include, but is not limited to, federal funds, state funds, local funds, or donated services. The required cost share will be up to 50 percent of the total proposed costs. Exact cost share percentages will be detailed during the proposal solicitation phase. (See Section II.G)

E. PROGRAM PREFERENCES

Preference will be given to specific project types. These program preferences are reflected in the evaluation criteria and will be taken into consideration during the review process (Section V.G). Preference will be given to proposals that provide:

- Improvement of water supply reliability;
- Protection of water quality and the environment;
- Integration of multiple strategies/benefits; and
- An implementation component. Implementation includes construction, installation, and can include a procedure/practice that results in a water quality improvement. Proposals that include an implementation component will be considered in a Priority I category, while other proposals (e.g. feasibility studies) will be considered in a Priority II category. Priority I category proposals will be considered for funding first.

F. GEOGRAPHIC SCOPE

PRC §75029 requires that funds will be available for eligible projects that improve water quality in the legal Delta, the San Joaquin River and tributary watershed downstream of Landers Avenue and major dams, and the Sacramento River and tributary watershed downstream of major dams.

G. PROPOSAL SOLICITATION

The grant process will be structured as multiple solicitations in accordance with the funding plan as identified in Section II.B. Each solicitation will include the release of a specific proposal solicitation package (see Section V). Applicants must provide documentation as described in these guidelines to be considered for grant funding. Key proposal information includes, but is not limited to:

- Major water-related issues within the project region and objectives for the project;
- Demonstration that the applicant is an eligible grant recipient, as defined in Section III.A;
- Schedule for planning, design and implementation;
- Participating stakeholders; and
- Cost share

The grant applications will be evaluated based on the criteria identified in Appendix A, Section A.2.

III. ELIGIBILITY REQUIREMENTS

A. Eligible Grant Recipients

Eligible grant recipients are local agencies which have an eligible proposal/project(s) that will provide public benefit (PRC §75004) and which satisfy all other requirements of these guidelines, including but not limited to, minimum cost share requirements (Section II. D).

Other entities, including but not limited to public agencies, universities, or non-profit organizations, may collaborate with a local agency and perform work with the grant funds so long as the local agency is designated as the responsible entity and controls all activities related to the grant.

B. Eligibility Criteria

Applications for grants must meet all relevant eligibility criteria in order to be considered for funding. The eligibility criteria are:

1. Must be comprised of a project(s) which is (are) located geographically within the legal Delta, San Joaquin River and tributary watershed downstream of Landers Avenue and major dams, and the Sacramento River and tributary watershed downstream of major dams.
2. Must provide improvement/protection of drinking water supplies.

C. Eligible Proposal/Project Types

Eligible proposal/project types are those as set forth in Section II of these guidelines. Section II presents four (4) proposal/project types including their uniquely associated water quality criteria and geographic area. Eligible proposal/projects must be one of these types and must satisfy the criteria of Section B (above) to be considered for funding.

IV. GENERAL PROGRAM REQUIREMENTS

A. Conflict of Interest

All participants are subject to State and federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent grant agreement being declared void. Other legal action may also be taken. Before submitting an application, applicants are urged to seek legal counsel regarding conflict of interest requirements. Applicable statutes include, but are not limited to, California Government Code § 1090 and California Public Contract Code §§ 10410 and 10411.

B. Confidentiality

Once the proposal has been submitted to DWR, any privacy rights, as well as other confidentiality protections, afforded by law with respect to the application package will be waived.

C. Labor Code Compliance

California Labor Code § 1771.8 requires the body awarding a contract for a public works project financed in any part with funds made available by Proposition 84 to adopt and enforce a labor compliance program pursuant to California Labor Code § 1771.5(b). Compliance with applicable laws, including California Labor Code provisions, will become an obligation of the grant recipient under the terms of the grant agreement between the grant recipient and DWR. California Labor Code § 1771.8 appears to provide, where applicable, that the grant recipient's labor compliance program must be in place at the time of awarding of a contract for a public works project by the grant recipient. Before submitting an application, applicants are urged to seek legal counsel regarding California Labor Code compliance. See Appendix C for web links to the California Department of Industrial Relations.

D. CEQA Compliance

Activities funded under Proposition 84 must be in compliance with the California Environmental Quality Act (CEQA), Division 13 (PRC § 75070 [reference PRC § 21000 *et seq.*]). See Appendix C for web links to CEQA information and the State Clearinghouse Handbook.

V. PROJECT SELECTION PROCESS

A. Release of Project Solicitation Package

Following adoption of these guidelines, DWR will issue the draft Project Solicitation Packages (PSP) in accordance with the funding plan as identified in Section II.B. Draft PSPs will be posted for a minimum 15-calendar day public review period at the following DWR websites:

- (1) All projects except eligible projects under (2) below [see III.C. Eligibility Requirements]

http://baydeltaoffice.water.ca.gov/sdb/prop84/index_prop84.cfm

- (2) All agricultural drainage discharge reduction or elimination from the west side of San Joaquin Valley projects [see III.C. Eligibility Requirements]

<http://sjddev.water.ca.gov/drainage/prop84.cfm> (website under construction)

During the public review period, DWR will conduct two public workshops, one for interested parties in the vicinity of the Sacramento area and areas north, and one for areas south of Sacramento. (See Section V.C) Each draft PSP will provide specific information regarding workshop dates and location and how to submit comments. Following consideration of public comments, DWR will issue final PSPs for the grants.

B. Solicitation Notice

DWR will solicit grant proposals with the release of a final PSP. The PSP will provide detailed instructions on the mechanics of submitting proposals and specific information on submittal requirements. The final PSP will be posted at the following DWR websites:

- (1) All projects except eligible projects under (2) below [see III.C. Eligibility Requirements]

http://baydeltaoffice.water.ca.gov/sdb/prop84/index_prop84.cfm

- (2) All agricultural drainage discharge reduction or elimination from the west side of San Joaquin Valley projects [see III.C. Eligibility Requirements]

<http://sjddev.water.ca.gov/drainage/prop84.cfm> (website under construction)

If you are not already on the mailing list and wish to be included, please e-mail your contact information to:

BDOp84grants@water.ca.gov

Paper copies of a PSP will be made available upon request.

C. Applicant Assistance Workshops

Two informational workshops will be conducted to address applicant questions and to provide general assistance to applicants in preparing their grant applications. One workshop will be for interested parties in the vicinity of the Sacramento area and areas north, and one for areas south of Sacramento. The dates and locations of the workshops will be provided in the PSP. The workshops will be held at least 7-calendar days prior to the end of the public comment period to address public questions regarding a draft PSP and solicit public comments. Written comments will also be accepted. In addition to the informational workshops, applicants are encouraged to seek assistance from DWR grant program staff in understanding grant requirements and completing grant applications.

D. Proposal Submittal

The procedures for submitting applications will be provided in the PSP. The grant application process will be a combination of an electronic on-line submittal and a hard copy submittal.

Applications must contain all required items listed in the PSP. Applications may include attachments with supplemental materials such as design plans and specifications, detailed cost estimates, feasibility studies, pilot projects, additional maps, diagrams, letters of support, copies of agreements, or other applicable items. Applicants are encouraged to submit attachments and supporting documentation in an electronic format. **All applications, including attachments and support documents, must be provided by the submittal deadline. Any material submitted after the deadline will not be reviewed or considered for funding and will be returned to the applicant.**

E. Completeness Review

All information requested in the PSP must be provided. Each application will first be evaluated in accordance with the PSP for completeness. If certain sections are not relevant to a particular applicant or proposal, the applicant must clearly state the rationale for such determination. **Applications not containing all required information may not be reviewed or considered for funding.**

F. Eligibility Review

Complete proposals will be evaluated for compliance with eligibility criteria (see Section III). **Applications that are determined to be ineligible will not be reviewed or considered for funding.**

G. Review Process

All complete and eligible proposals will be evaluated and scored by a group of technical reviewers from DWR and other agencies.

The technical reviewers will individually score proposals in accordance with criteria in Appendix A, Tables A-1, as applicable. The review and score will be based on the merit of the entire proposal as a whole. Following completion of the individual technical reviews, the reviewers will discuss the proposals and develop a consensus review and score.

Following completion of the consensus scoring of all eligible proposals, DWR will convene a selection panel to review the technical scores and comments. The panel will be comprised of Department of Water Resources supervisory and management level personnel. The selection panel will generate a preliminary ranking list of the proposals and make initial funding recommendations. When developing the preliminary ranking

list and initial funding recommendations, the selection panel will consider the following items:

- Amount of funds available for the grant project type,
- Consensus review and score of evaluation criteria (See Appendix A-2), and
- Program Preferences (Section II.E)

The selection panel may recommend reducing individual grant amounts from that requested to allow a greater number of high-ranked proposals to receive funding. However, such reductions will be evaluated to determine if the reduced funding would impede implementation of the proposal. Additionally, the selection panel may adjust individual scores to ensure that: 1) evaluation criteria have been consistently applied; and 2) the recommended funding list reflects the breadth of the Program Preferences.

H. Applicant Notification and Public Meeting

The list of proposals recommended for funding will be posted on the DWR websites and the applicants will be notified of the availability of the recommended funding list.

The recommended funding list will be presented at a public meeting held by DWR to solicit public comments on the proposed funding recommendations. Interested parties will be notified of the public meeting by a news release informing the public of the date, time, and location of the meeting and by a notice placed on the DWR website at:

- (1) All projects except eligible projects under (a2) [see III.C. Eligibility Requirements]

http://baydeltaoffice.water.ca.gov/sdb/prop84/index_prop84.cfm

- (2) All agricultural drainage reduction or elimination projects under (a2) [see III.C. Eligibility Requirements]

<http://sjddev.water.ca.gov/drainage/prop84.cfm> (website under construction)

I. Funding Awards

Based on the individual proposal evaluations, the preliminary ranking list, initial funding recommendations developed by the selection panel, and the comments received during the public comment period, DWR will approve a final funding list and make the associated funding commitments. DWR's Director will approve the final funding list through DWR's existing administrative procedures. Following approval by DWR, the selected grant recipients will receive a commitment letter officially notifying them of their selection for a grant and the grant amount.

When the applicant indicates acceptance of the funding in writing, the applicant becomes the grantee. Final award is subject to the execution of a grant agreement.

If the State of California Budget Act of the current year and/or any subsequent years covered under the commitment letter does not appropriate sufficient funds for the grant recipient project, the commitment shall be of no further force or effect. In this event, DWR shall have no liability to commit funds whatsoever to the grantee or to furnish any other considerations under this commitment.

VI. GRANT AGREEMENTS

Following funding commitment, DWR will execute a grant agreement with the grantee. The agreement will include all terms and conditions for the grant, the scope of work, the schedule, the budget, and additional standard State and DWR agreement documents.

A. Funding and Grant Agreements

At a minimum, all agreements will include:

- A cost-sharing formula that provides that the grantee pays a specified percentage of the eligible costs of the project.
- A requirement that the grantee provide evidence that it has an acceptable Labor Compliance Program in place.
- A requirement that the grantee make regular progress reports to DWR, as described in Section VII.A, as a prerequisite to each disbursement. DWR will monitor progress and may withhold up to 10 percent of the currently requested payment if progress is not satisfactory.
- A requirement that the grantee submit a written post-implementation report as described in Section VII.B.
- A requirement that the grantee indemnify and hold the State, its agencies, officers, and employees free and harmless from any and all liability arising out of a project.
- Any other requirements deemed necessary by DWR, including increased requirements with regard to indemnification.
- A work plan that includes:
 - A work breakdown, showing and describing all contract items and tasks expected to occur during the project.
 - A work schedule that must be related to the contract items and tasks, but may be described in terms of the physical works to be implemented.
 - An estimate of the cost of each contract item and task, including the amount of each contract item and task that will be funded using State funds.

- The estimate must have all costs assigned to contract items or tasks except contingencies.
- Contract administration will be separated out as an appropriate task. Not more than 5 percent of the funds allocated to any project may be used to pay the costs related to contract administration.
- Not more than 5 percent of the total cost of all described contract items and tasks may be shown in the estimate as contingencies.

DWR encourages collaboration to enhance the effectiveness of water quality improvement projects. Parties that wish to collaborate on a proposal may elect to use a contractor-subcontractor relationship, a joint venture, a joint powers authority, or other appropriate mechanism. To the maximum extent possible, grant agreements will be executed with one grantee, which will then provide funding to its partners that are responsible for implementation of the project(s). In the event that it is necessary to develop individual grant agreements for components of a proposal, then the individual partner must also be an eligible grant recipient, as defined in Section III.A and the grant recipient must provide an explanation of which projects should receive separate grant agreements. Such individual grant agreements will be structured to ensure that the integrated nature of the proposal is maintained and that the individual projects progress in a balanced manner.

B. Reimbursement of Costs

Reimbursable costs include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation. Only work performed **after** the effective date of the grant agreement will be eligible for reimbursement. Costs incurred after November 8, 2006, and prior to the effective date of a grant agreement are not eligible for reimbursement. However, these costs may be considered, at DWR's discretion, as part of the grantee's cost share. (See Section VI.C.) **Advance funds cannot be provided.**

Costs that are not reimbursable with grant funding include, but are not limited to:

- Costs, other than those noted above, incurred prior to effective date of a grant agreement with the State;
- Operation and maintenance costs, including post construction project performance and monitoring costs;
- Purchase of equipment not an integral part of the project;
- Establishing a reserve fund;
- Purchase of water supplies;

- Replacement of existing funding sources for ongoing programs;
- Support of existing agency requirements and mandates;
- Purchase of land in excess of the minimum required acreage necessary to operate the project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to effective date of a grant agreement with the State; and
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after effective date of a grant agreement with the State, DWR agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise reimbursable project costs.

C. Credit of Costs

At the sole discretion of DWR, credit for part of the grantee's cost share may be issued to the grantee for a portion of pre-project costs. The grantee may use approved credit only to reduce the local share of incurred project costs. Approved credit is acknowledgement that the grantee has incurred expenses that could have been covered if a project agreement had been in place. It does not entitle the grantee to payment. DWR will issue credit under the following conditions:

1. Costs were incurred after November 8, 2006.
2. The grantee and DWR have executed a grant agreement.
3. Costs are project specific and supported by written documentation including but not limited to memorandums, letters, reports, meeting records, permit applications, permits, etc.
4. Total credit of costs limited to the same percentage cost-share as determined in Section II.D Cost Share Requirements.
5. Grant application preparation costs included in the grantee's 5 percent administrative cost limit. (See Section VI.A. Funding and Grant Agreements.)
6. DWR has approved the costs in writing.

D. Retention of Funds

DWR will retain ten percent of all approved payments to assure satisfactory completion of individual items or tasks. The approved completion of items or tasks will be the basis of reimbursement of retained funds.

When all work associated with an item or task described in the work plan has been completed to the satisfaction of DWR and all required deliverables for that item or task have been submitted to and approved by DWR, the grantee may request payment of retained funds. DWR may choose to inspect the site at this time to ensure proper completion of the task. DWR at its sole discretion may pay the retained funds for that item or task to the grantee. After the retained funds for an item or task have been paid, no further payment will be made for that item or task.

E. Reimbursement Requests

State funds or allocations will be paid to grantees in arrears on a reimbursable basis at least quarterly but no more often than monthly at DWR's discretion. A progress report and reimbursement request (invoice) will be submitted to DWR for approval and payment.

Funds will be disbursed as provided in the grant agreement to reimburse costs incurred by the grantee, but not for the following:

- Activities that could affect the environment, until the grantee complies with all applicable requirements of CEQA and other environmental laws.
- Activities requiring permits, until the permits are obtained.

All reimbursement is subject to the availability of funds.

VII. RECORDKEEPING AND REPORTING

A. Progress Reports

The grantee will be required to submit progress reports in sufficient detail to substantiate reimbursable expenses. This report will be an essential item in evaluating reimbursements. A reimbursement request must coincide with a report submittal, subject to the following:

- The minimum period of both progress reports and reimbursement requests is one month.

- The maximum reporting period is three months for projects having agreements that specify quarterly reporting. This requirement may be met without submitting a reimbursement request.
- For projects having agreements that establish milestones, a report shall be made at the completion of each milestone, whether or not it coincides with a reimbursement request.
- The time periods covered by successive progress reports shall be continuous but shall not overlap.

Progress reports shall include the following information:

- Records of expenditures.
- Description of activities since the previous report.
- Status of the project relative to the progress schedule.
- An estimate of the percentage completion of the work.
- The percentages of State and total funding expended.
- Key issues that must be resolved.
- The time period covered by the request.

Progress reports will also be required to include information requested by the Department of Finance relative to accountability for Proposition 84 bond funds. Requirements for this reporting have not yet been determined. More frequent reporting may also be required.

B. Post-Implementation Report

Within 90 days after the project is completed, the grantee shall submit a post-implementation report that shall include the following:

- An executive summary not exceeding two pages;
- Records of expenditures;
- Description of project activities since the previous report;
- A comparison of the original schedule and the actual schedule;
- A discussion of problems that occurred during the work and how the problems were resolved;
- Submittal of any required deliverables that have not been submitted previously; and
- A listing of required deliverables submitted previously, with dates of submittal and DWR acceptance.

Post-implementation reports may also be required to include information requested by the Department of Finance relative to accountability for Proposition 84 bond funds. Requirements for this reporting have not yet been determined.

C. Recordkeeping

A grantee will be required to maintain all records and documents pertaining to a project for three years after completion. A grantee may be required to make all records and documents pertaining to the project available for inspection and audit by DWR and/or the State Auditor during normal business hours, both during the project and in the three years following.

DWR and/or the State Auditor may audit the records of the project at any time within three years after final payment of State funds. DWR may also require funding recipients to permit an annual citizen advisory committee to audit the project records.

In addition, grantees must comply with any additional audit requirements imposed by the Secretary of The Resources Agency in performing the Secretary's obligation to independently audit Proposition 84 funding and annually list expenditures.

APPENDIX A – GRANT CONTENT

A.1 PROPOSAL CONTENTS

This section describes the required elements to be included in the grant application. Specific instructions for application submittal and required content of acceptable proposals will be contained in the PSP. **In all cases, the prospective applicants should review the entire grant guidelines, with specific emphasis on the evaluation criteria (Section A.2), as well as the PSP prior to submitting an application to ensure that the submittal will meet grant program requirements.**

Applicants must submit a complete proposal by the deadline that will be specified in the PSP. Each application must include Items A through T below to be deemed complete.

A. Proposal Title, Administrative Information, Summary and Documentation

The applicant must submit the proposal title, the agency or organization responsible for the proposal and various administrative information including, but not limited to the following: agency/organization name; address; authorized representative name and phone number; location of region covered by the proposal, including longitude and latitude; and State legislative representatives within the region. The proposal summary must briefly describe the work to be completed with the requested funding.

The applicant will also need to provide documentation (e.g., a resolution, a letter of authorization signed by governing body office, etc.) from the applicant's governing body designating an authorized representative to file an application and enter into an agreement for a grant.

B. Applicant Authority

The applicant must describe the legal authority of the applicant (and partners) to conduct the work and to receive and spend State grant funds. The applicant must also describe any legal agreements among partners, if applicable, that ensure project performance and tracking of funds.

If DWR determines the applicant does not have the authority to enter into a grant agreement with the State, the applicant will not be eligible for funding and the application will not be reviewed.

C. Description of Proposal

The application must include a detailed description of the proposal, which may consist of one or more projects, for which funding is requested. The proposal must implement one or more of the eligible project elements listed in Section III.C. The goals and objectives of the proposal must be clearly stated.

The rationale for the proposed project should be sufficiently detailed to provide a clear understanding of the project. Where requested funding is for a component of a larger project, the proposal must describe all of the components of the larger project and identify which elements of the larger project are the subject of the grant funding request. The description must identify how the integration of the components of the proposal provides multiple benefits and identify linkages that are critical to the success of the proposal. The proposal description must match the cost estimate and schedule provided in Items P and T.

D. Objectives

Describe the objectives for the proposed project to address the major water related issues within the project region, including, at a minimum, all relevant water quality elements.

E. Need

Describe the need for the proposed project. The applicant must describe the current water quality and the expected long-term water quality needs of the project's geographic area. Describe how the proposal will help meet those needs. Discuss the local and regional economic, environmental, and fiscal conditions relative to the need for the project. Discuss critical impacts that will occur if the proposal is not implemented.

F. Work Plan

The applicant must submit a complete, detailed work plan consisting of a description of work to be performed, work elements, a budget, and a schedule for completion of the proposed project. The work plan must include a description of work product submittals as well as a description of the final complete product proposed by the applicant. The budget must identify a cost share that is consistent with the minimum cost share requirements identified in Section II.D.

G. Program Preferences

Describe how the proposed project(s) type addresses and/or satisfies one or more of the Program Preferences identified in Section II.E.

H. Integration of Water Quality Strategies

Describe the water quality strategies that will be addressed by the project. Describe how the selected strategies are seen to work together to benefit water quality.

I. Stakeholder Involvement

Discuss how the proposed project will incorporate stakeholder involvement via existing or planned activities or work. Describe specific outreach activities and the target groups. The proposal should include a list of proposed stakeholders, how stakeholders were/will be identified, how they participate in the planning and implementation, and how they influence decisions made regarding water quality. Discuss a process by which additional stakeholders may be identified and included during plan development or implementation. Discuss efforts to address environmental justice concerns. If any water related entities within the project area are not included in the planning process, discuss why they were omitted.

J. Relation to Local Planning

The project must identify existing local planning documents that will be considered during development of the project. Discuss how these local planning documents relate to the project.

K. Environmental Compliance

The proposal must include a plan for compliance with all applicable environmental review requirements including any CEQA and/or, if applicable, National Environmental Protection Act (NEPA) obligations. The proposal should also address compliance with local, county, State, and federal permitting requirements. Appendix C provides web links to CEQA information, the State Clearinghouse Handbook and NEPA.

L. Scientific and Technical Merit

The applicant will be required to demonstrate the scientific and technical merit of the proposal. Such demonstration may include:

- Submittal of a copy(ies) of all reports and studies prepared for the proposal that form the basis for or include information pertaining to the project(s);
- A brief summary of the types of information in each reference;
- If feasibility and pilot studies have not been completed for the proposed implementation project(s), an explanation regarding what has been done to determine the project's feasibility; and
- Provide copies of the most complete design plans and specifications for the proposed project(s).

M. Implementability

Identify specific actions, projects, and studies, ongoing or planned, by which the project(s) will be implemented. Identify the responsible parties for project implementation and, if applicable, clearly identify linkages or interdependence with other projects. Demonstrate economic and technical feasibility at a programmatic level. Identify the current status of each element of the project, such as existing infrastructure, feasibility, pilot or demonstration project, design completed, etc. Include timelines for all active or planned projects and identify the institutional structure that will ensure successful project implementation.

N. Data and Technical Analysis

Include a discussion of data, technical methods, and analyses used to develop the project. Include a discussion of measures that will be used to evaluate project performance, monitoring systems that will be used to gather performance data, and mechanisms to adapt project operations and implementation based on performance data collected. Include mechanisms by which data will be managed and disseminated to stakeholders and the public. Also include a discussion of how data collection will support statewide data needs. At a minimum, assess the state of existing monitoring efforts for water quantity and water quality, and identify data gaps where additional monitoring is needed.

O. Monitoring, Assessment, and Performance Measures

Describe the performance measures that will be used to quantify and verify project performance. Provide a discussion of the monitoring system to be used to verify project performance with respect to the project benefits or objectives identified in the proposal. Indicate where the data will be collected and the types of analyses to be used. Include a discussion of how monitoring data will be used to measure the performance in meeting the overall project goals and objectives.

P. Estimated Cost

The proposal must provide a detailed estimate of costs and funding sources. The estimate must at a minimum include the following for each individual project within the proposal:

- Land costs, planning and design costs, environmental compliance and documentation costs, construction costs shown by project task, or phase, and the contingency amount for the proposal;
- All sources of the cost share; and
- The amount of cost share applied to each task.

Q. Cost Share

Local agencies are required to provide a cost share (PRC § 75029, paragraph one) to fund their proposed project. Cost share may include, but is not limited to, federal funds,

state funds, local funding, or donated services. The required cost share will be up to 50 percent of the total proposed costs.

R. Impacts and Benefits

Discuss at a screening level the impact and benefits from the project implementation. Include an evaluation of potential impacts within the project area and in adjacent areas. Identify interregional benefits and impacts. Describe the impacts and benefits to environmental justice. Include an evaluation of impacts/benefits to other resources, such as air quality, energy, etc.

S. Finance Plan

Applicants will be required to provide a finance plan for their proposed project(s), including an enumeration of the costs of implementation or construction, operation and maintenance of the proposed project(s), and the economic benefits related to water quality derived directly from the project(s). The economic benefits may be quantified in monetary terms and when economic values cannot be assigned to the benefit the applicants may quantify the benefits in physical terms. This finance plan will demonstrate to DWR's satisfaction the applicant's ability to complete the project.

T. Schedule

Provide a schedule for implementation of the proposal showing the sequence and timing of the proposed project or suite of projects. The schedule shall show the start dates, end dates, and milestones. The schedule shall illustrate any dependencies or predecessors by showing links between work items. At a minimum, the following work items shall be included on the schedule:

- Development of financing;
- Development of environmental documentation and CEQA/NEPA compliance;
- Project design and bid solicitation process;
- Acquisition of rights of way, if required;
- Identification and acquisition of all necessary permits;
- Construction start and end dates with significant milestones included;
- Implementation of any environmental mitigation or enhancement efforts; and
- Post construction performance monitoring periods.

The work items shown on the schedule must agree with the work elements shown in the work plan and estimated cost discussed in Items F and P, respectively. The PSP will include detailed instructions on the requested schedule components.

A-2. EVALUATION CRITERIA

The evaluation criteria that will be used to evaluate the extent to which the proposal and proposed project achieve/meet the water quality grant requirements and objectives follow in Table A-1. These criteria will be expanded upon in more detail in the PSPs. Each criterion will be scored on a scale of 1 to 5 with a 1 being "low" and 5 being "high".

A weighting factor (Column A, Table A-1) will be applied to each criterion to define the relative importance between criteria. This factor will be applied on a scale of 1 to 3 with 1 being “low” importance and 3 being “high” importance. The individual weighting factors will be assigned in the PSPs.

A number of points will be scored (Column B, Table A-1) by the review panel for each criteria based on the proposal information submitted by the applicant. Each criteria point value (Column B, Table A-1) will then be multiplied by the respective weighting factor (Column A, Table A-1) to calculate a criterion score (Column C, Table A-1). The maximum possible range of weighted score for each criterion is shown in Column C (Table A-1). Points will be assigned to the application for each criterion as follows:

- A score of 5 points will be awarded where the criterion is fully addressed and supported by thorough and well-presented documentation and logical rationale.
- A score of 4 points will be awarded where the criterion is fully addressed but is supported by less thorough documentation or less sufficient rationale than that supporting a 5 point score.
- A score of 3 points will be awarded where the criterion is less than fully addressed and documentation and/or rationale are incomplete or insufficient.
- A score of 2 points will be awarded where the criterion is marginally addressed.
- A score of 1 point will be awarded where the criterion is not addressed or no documentation or rationale is presented.

Table A-1 presents the items B through T above and a criteria description arranged under evaluation subcategories of Base Adequacy, Technical Adequacy, Programmatic Adequacy, and Public Outreach and Community Support. Weighting factors, range of score values, and total possible points will be assigned in the PSPs.

Criterion B-11 Cost Share will be detailed in the PSPs with a separate rating system from the above scoring. Considering that all projects will require a minimum cost share, points may be awarded for projects that propose a higher than minimum cost share.

TABLE A-1 – EVALUATION CRITERIA FOR GRANTS

	Column A	Column B	Column C
Criteria	Weighting Factor	Points Range	Scoring Range
A. Base Adequacy			
A-1 Applicant Authority <i>This evaluation will be based on whether the applicant (and partners) has proper authority.</i> Does the applicant (and partners) have the legal authority to conduct the work of the proposed project and to receive and spend State grant funds?	Pass/Fail	Pass/Fail	
A-2 Cost Share <i>This evaluation will focus on whether the applicant has demonstrated that it will provide a cost share.</i> Did the applicant propose a cost share of the total proposal costs?	Pass/Fail	Pass/Fail	
Total Possible Maximum Score - Criteria A	Pass		

	Column A	Column B	Column C
Criteria	Weighting Factor	Points Range	Scoring Range
B. Technical Adequacy			
B-1 Description of Proposal <i>Scoring will be based on whether the proposal includes but is not limited to the following: a detailed description, a eligible water quality project type, goals and objectives, and environmental compliance.</i>		To be defined in proposal solicitation package	
B-2 Objectives <i>Scoring will be based on whether the applicant has presented detailed and specific objectives.</i>		To be defined in proposal solicitation package	
B-3 Need <i>Scoring will be based on the degree of need for the proposed project(s).</i>		To be defined in proposal solicitation package	
B-4 Work Plan <i>Scoring will be based on whether the applicant has a detailed and specific work plan that adequately documents the proposed project.</i>		To be defined in proposal solicitation package	
B-5 Environmental Compliance <i>Scoring will be based on if the project proposal adequately addresses all relevant CEQA and NEPA obligations, including permit requirements.</i>		To be defined in proposal solicitation package	
B-6 Scientific and Technical Merit <i>Scoring will be based on whether the applicant has demonstrated that the proposal has scientific and technical merit.</i>		To be defined in proposal solicitation package	
B-7 Implementability <i>Scoring will be based on whether the applicant has adequately detailed the project implementation.</i>		To be defined in proposal solicitation package	

	Column A	Column B	Column C
Criteria	Weighting Factor	Points Range	Scoring Range
B-8 Data and Technical Analysis <i>Scoring will be based on whether the project(s) is/are based on sound scientific and technical analysis and includes measures to assess performance.</i>		To be defined in proposal solicitation package	
B-9 Monitoring, Assessment, and Performance Measures <i>Scoring will be based on whether the applicant has presented an adequate monitoring and assessment program.</i>		To be defined in proposal solicitation package	
B-10 Estimated Cost <i>Scoring will be based on whether the costs of the proposed project(s) are well presented and reasonable.</i>		To be defined in proposal solicitation package	
B-11 Cost Share <i>Scoring will be based on whether the applicant will provide the minimum (or in certain cases) more than the minimum applicable cost share.</i>		To be defined in proposal solicitation package	
B-12 Impacts & Benefits <i>Scoring will be based on whether the applicant clearly and fully describes the impacts and regional benefits of the project proposal.</i>		To be defined in proposal solicitation package	
B-13 Schedule <i>Scoring will be based on the reasonableness of the proposed schedule.</i>		To be defined in proposal solicitation package	
Total Possible Maximum Score – Criteria B		--	

	Column A	Column B	Column C
Criteria	Weighting Factor	Points Range	Scoring Range
C. Programmatic Adequacy			
C-1 Program Preferences <i>Scoring will be based on the extent that the proposal meets the specified Program Preferences as identified in Section II.E.</i>	To be defined in proposal solicitation package		
C-2 Integration of Water Management Strategies <i>Scoring will be based on whether the applicant has adequately documented how water management strategies will be integrated.</i>	To be defined in proposal solicitation package		
Total Possible Maximum Score – Criteria C	--		

	Column A	Column B	Column C
Criteria	Weighting Factor	Points Range	Scoring Range
D. Public Outreach and Community Support			
D-1 Stakeholder Involvement <i>Scoring will be based on whether development and implementation of the proposed project includes stakeholder involvement through a collaborative regional process?</i>	To be defined in proposal solicitation package		
D-2 Relation to Local Planning <i>Scoring will be based on whether the proposed project is well coordinated with local planning and management efforts.</i>	To be defined in proposal solicitation package		
Total Possible Maximum Score – Criteria D	--		
Total Possible Maximum Score (Criteria A through D)	--		

APPENDIX B - DEFINITIONS

Applicant – Means an entity that files an application for funding under the provisions of Proposition 84 with the Department of Water Resources.

Bay-Delta – is as defined in § 79402 (c) of the California Water Code.

CALFED Bay-Delta Program – refers to the collaborative State-federal program to address ecosystem restoration and water management issues in the San Francisco Bay/Sacramento-San Joaquin Delta system. The CALFED Program is being implemented under the guidance of the California Bay-Delta Authority, by a consortium of State and federal agencies with management and regulatory responsibilities in the Bay and Delta, pursuant to the CALFED Bay-Delta Program Record of Decision (August 28, 2000).

California Bay-Delta Authority – refers to the State agency that was established by legislation enacted in 2002 to oversee implementation of the CALFED Bay-Delta Program.

Evaluation Criteria – means the set of requirements used to choose a project for a given program or for funding; the specifications or criteria used for selecting or choosing a project based on available funding.

Funding Cycle – is used to denote the entire grant selection and approval process from initial proposal solicitation to grant award.

Grantee – means an applicant who has been awarded and accepted funding through the selection process described in these Guidelines.

Granting Agency – means the agency that is funding a proposal, with which a grant recipient has a grant agreement, and will be the Department of Water Resources.

Management Measures – means economically achievable measures for the control of the addition of pollutants from existing and new categories and classes of non-point sources of pollution, which reflect the greatest degrees of pollutant reduction achievable through the application of the best available non-point pollution control practices, technologies, processes, siting criteria, operating methods, or alternatives.

Proposition 84 – is the “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.”

Selection Panel – means a group of Department of Water Resources representatives at the supervisory or management level assembled to review and consider proposal evaluations and scores developed by the Technical Reviewers and to make initial funding recommendations.

Stakeholder – is an individual, group, coalition, agency or others who are involved in, affected by, or have an interest in the implementation of a specific program or project.

Technical Reviewers – means a group of agency representatives assembled to evaluate the technical competence of a proposed project and the feasibility of the project being successful if implemented.

APPENDIX C - USEFUL WEB LINKS

California Water Code

<http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=prc&codebody=&hits=20>
<http://caselaw.lp.findlaw.com/cacodes/prc.html>

DWR

Home Page

<http://www.water.ca.gov/>

Bay-Delta Office:

<http://www.baydeltaoffice.water.ca.gov>

Grants & Loans:

<http://www.grantsloans.water.ca.gov/>

Proposition 84:

http://baydeltaoffice.water.ca.gov/sdb/prop84/index_prop84.cfm

Proposition 84: West Side of the San Joaquin Valley projects:

<http://sjddev.water.ca.gov/drainage/prop84.cfm> (website under construction)

CEQA Information

Environmental Information:

<http://ceres.ca.gov/index.html>

California State Clearinghouse Handbook:

http://opr.ca.gov/planning/PDFs/sch_handbook.pdf

CALFED Bay-Delta Program

<http://calwater.ca.gov/>

<http://calwater.ca.gov/Archives/GeneralArchive/RecordOf Decision2000.shtml>

Department of Industrial Relations

<http://www.dir.ca.gov/lcp.asp>

NEPA Information

<http://epagov/compliance/nepa/index.html>

Public Resource Code

<http://caselaw.lp.findlaw.com/cacodes/prc.html>